



FEDERAL RESERVE SYSTEM

Agency information collection activities: Announcement of Board approval under delegated authority and submission to OMB

SUMMARY:

Notice is hereby given of the final approval of a proposed information collection by the Board of Governors of the Federal Reserve System (Board) under OMB delegated authority, per 5 CFR 1320.16 (OMB Regulations on Controlling Paperwork Burdens on the Public). Board-approved collections of information are incorporated into the official OMB inventory of currently approved collections of information. Copies of the Paperwork Reduction Act Submission, supporting statements and approved collection of information instrument(s) are placed into OMB's public docket files. The Federal Reserve may not conduct or sponsor, and the respondent is not required to respond to, an information collection that has been extended, revised, or implemented on or after October 1, 1995, unless it displays a currently valid OMB control number.

FOR FURTHER INFORMATION CONTACT:

Federal Reserve Board Clearance Officer—Cynthia Ayouch--Division of Research and Statistics, Board of Governors of the Federal Reserve System, Washington, DC 20551 (202-452-3829) Telecommunications Device for the Deaf (TDD) users may contact (202-263-4869), Board of Governors of the Federal Reserve System, Washington, DC 20551.

OMB Desk Officer—Shagufta Ahmed --Office of Information and Regulatory Affairs, Office of Management and Budget, New Executive Office Building, Room 10235, 725 17th Street, NW., Washington, DC 20503.

Final approval under OMB delegated authority of the extension for three years, with revision, of the following reports:

Report title: Report of Changes in Organizational Structure, Annual Report of Bank Holding Companies, and Annual Report of Foreign Banking Organizations.

Agency form number: FR Y-10, FR Y-6, and FR Y-7.

OMB control number: 7100-0297.

Effective Date: The proposed changes to the FR Y-6 and FR Y-7 reporting forms and instructions will be effective December 31, 2011. However, the requirement for institutions to provide the state and country of incorporation for each entity provided in organization chart of the FR Y-6 and FR Y-7 is being delayed for implementation until fiscal years beginning December 31, 2012. The proposed changes to the FR Y-10 reporting form and instructions will be effective January 1, 2012.

Frequency: FR Y-10: Event-generated; FR Y-6 and FR Y-7: Annual.

Reporters: Bank holding companies (BHCs), foreign banking organizations (FBOs), state member banks, Edge and agreement corporations, and nationally chartered banks that are not controlled by a BHC.

Estimated annual reporting hours: FR Y-10: 17,850 hours; FR Y-6: 26,507 hours; FR Y-7: 694 hours.

Estimated average hours per response FR Y-10: 1.75 hours; FR Y-6: 5.25 hours;
FR Y-7: 3.75 hours.

Number of respondents: FR Y-10: 3,400; FR Y-6: 5,049; FR Y-7: 185.

General description of report: These information collections are mandatory under the Federal Reserve Act, the Bank Holding Company Act (BHC Act), and the International Banking Act (12 U.S.C. 248 (a)(1), 321, 601, 602, 611a, 615, 625, 1843(k), 1844(c)(1)(A), 3106(a), and 3108(a)), and Regulations K and Y (12 CFR 211.13(c), 225.5(b) and 225.87). Individual respondent data are not considered confidential. However, respondents may request confidential treatment for any information that they believe is subject to an exemption from disclosure under the Freedom of Information Act (FOIA), 5 U.S.C. 552(b).

Abstract: The FR Y-10 is an event generated information collection submitted by FBOs; top-tier BHCs; state member banks unaffiliated with a BHC; Edge and agreement corporations that are not controlled by a state member bank, a domestic BHC, or an FBO; and nationally chartered banks that are not controlled by a BHC (with regard to their foreign investments only), to capture changes in their regulated investments and activities. The Federal Reserve uses the data to monitor structure information on subsidiaries and regulated investments of these entities engaged in banking and nonbanking activities. The FR Y-6 is an annual information collection submitted by top-tier BHCs and nonqualifying FBOs. It collects financial data, an organization chart, verification of domestic branch data, and information about shareholders. The Federal Reserve uses the data to monitor holding company operations and determine holding company compliance with the provisions of the BHC Act and Regulation Y (12 CFR 225). The FR Y-7 is an annual information collection submitted by qualifying FBOs to update their financial and organizational information with the Federal Reserve. The Federal Reserve uses information to assess an FBO's ability to be a continuing source of strength to its U.S. operations and to determine compliance with U.S. laws and regulations.

Current Actions: On August 11, 2011, the Federal Reserve published a notice in the Federal Register (76 FR 49769) requesting public comment for 60 days on the extension, with revision, of the Report of Changes in Organizational Structure, Annual Report of Bank Holding Companies, and Annual Report of Foreign Banking Organizations. The comment period for this notice expired on October 11, 2011. The Federal Reserve received two comment letters on the proposed revisions to the FR Y-10 and the FR Y-6: one from a bankers' organization, the other, from a BHC.

No comments were received on the following FR Y-10 revisions that were proposed to take effect as of January 1, 2012, and therefore the Federal Reserve will implement these revisions as proposed: (1) adding a new business organization type for limited liability limited partnership, (2) adding a check box to report whether ownership is in the form of a general

partner or limited partner, and (3) requiring the reporting of the representative office when there are no other reportable offices in the United States.

No comments were received on the following FR Y-6 revisions that were proposed to take effect as of December 31, 2011, and therefore the Federal Reserve will implement these revisions as proposed: (1) clarifying the language regarding confidentiality of the reporter's submission, (2) adding the rounding definition from the FR Y-10 to ensure the reporting of percentage ownership is consistent across all structure reporting forms, (3) modifying the language for securities holders to include persons working in concert, including families, and (4) revising the insiders information to include options, warrants, or other securities as reportable voting securities and to include families in the definition of a principal securities holder.

The following section of this notice describes the remaining proposed FR Y-10, FR Y-7, and FR Y-6 report changes and discusses the Federal Reserve's evaluation of the comments received on the proposed changes. After considering the comments, the Federal Reserve will move forward with the proposed revisions after making certain modifications in response to the comments.

FR Y-10

Banking and Nonbanking Schedules. The Federal Reserve proposed to add "State and Country of Incorporation" to item 3.a. In addition, the Federal Reserve proposed to add "If Relocation or Correction, Prior State and Country of Incorporation" in item 3.b. These revisions are necessary to provide more consistent data on physical location versus the state and country of incorporation. One commenter stated that reporting state of incorporation on the Banking and Nonbanking Schedules would be burdensome with respect to non-U.S. entities. The Federal Reserve did not intend for foreign respondents to provide the equivalent of a U.S. state. The Federal Reserve will revise the FR Y-10 instructions to make it clear that foreign respondents should report only the country of incorporation.

One commenter suggested that self-regulatory organizations, such as the Financial Industry Regulatory Authority (FINRA) and National Futures Association (NFA), be added to the list of functional regulators on the Nonbanking Schedule. The Federal Reserve will assess the need for additional regulators in a future proposal.

4(k) Schedule. The Federal Reserve proposed to add the following event types for large merchant banking or insurance company investments: initial investment, changes to initial investment, and divestitures. Both commenters expressed concern about the proposed revisions to the large merchant banking or insurance company (LMBI) section of the FR Y-10 4(k) Schedule. Both commenters stated that the proposed revision to require reporting of changes in the ownership and assets of LMBIs would be burdensome and requested that these revisions not be made. In addition, the BHC asked the Federal Reserve to add a selection for "No Longer Reportable" to the LMBI section of the 4 (k) Schedule. After considering these comments, the Federal Reserve will add to this section of the 4(k) Schedule selections for "No Longer Reportable" and "Name Changes" and remove the selection for "Changes to Initial Investment."

The BHC expressed concern that the 4(k) Schedule contains both financial-in-nature activities as well as non-financial activities commenced by a financial holding company. The Federal Reserve will clarify the instructions by adding a definition of a nonfinancial company in the Y-10 glossary.

Instructional Revisions. The Federal Reserve proposed to revise and clarify the FR Y-10 instructions to conform with the proposed changes to the reporting form. On the Banking, Nonbanking, and 4(k) Schedules, the Federal Reserve proposed to remove Appendix B– North American Industry Classification System (NAICS) Activity Codes and add the URL to the U.S. Census Bureau’s website where reporters may retrieve current NAICS Activity Codes.

One commenter suggested that infrequent reporters might find it useful to retain a modified version of the table mapping the financial-in-nature activities of the old Federal Reserve alphanumeric codes to the corresponding NAICS codes. The Federal Reserve agrees and recommends including this table as Appendix B. A footnote would be added to clarify that the Federal Reserve converted from alphanumeric activity codes to NAICS codes in 2004.

A bankers’ organization made several comments with regard to the instructional revision requiring that certain entities organized to hold other real estate owned properties be reported on the FR Y-10 Nonbanking Schedule. The commenter stated that reporting the entities holding debts previously contracted would not provide enhanced information to the Federal Reserve and recommended that this proposed revision not be included in the final FR Y-10 instructions. After considering these comments, the Federal Reserve will clarify the FR Y-10 instructions to indicate that a company that holds only foreclosed properties should not be reported. However, a company that holds a mixture of foreclosed properties and non-performing loans that are not yet in default should be reported.

FR Y-6 and FR Y-7

The Federal Reserve proposed to change *legal address* to *physical address* on the FR Y-6 and FR Y-7. Also, the Federal Reserve proposed to add *state and country of incorporation* to the FR Y-6. Both commenters expressed concern regarding the proposal to require institutions to provide the state and country of incorporation for each entity provided in organization chart of the FR Y-6. After considering these comments, the Federal Reserve continues to believe that reporting the state and country of incorporation at the entity level is important in connection with section 165(d) of the Dodd-Frank Act, which requires institutions to submit annual resolution plans to regulators. These plans will include, among other things, information on legal entities. However, the Federal Reserve recognizes that the reporting of the state and country of incorporation at the entity level may be particularly burdensome for some BHCs to report effective with the December 31, 2011, as-of date. Therefore, the Federal Reserve recommends delaying implementation of this requirement until fiscal years beginning December 31, 2012.

Although no comments were received on a similar proposed requirement to provide the country of incorporation for each entity provided in organization chart on the FR Y-7, the

Federal Reserve also recommends delaying implementation of this requirement until fiscal years beginning December 31, 2012.

Proposal to approve under OMB delegated authority the extension for three years, without revision of the following report:

Report title: Supplement to the Report of Changes in Organizational Structure.

Agency form number: FR Y-10E.

OMB control number: 7100-0297.

Frequency: Event-generated.

Reporters: BHCs, FBOs, state member banks, Edge and agreement corporations, and nationally chartered banks that are not controlled by a BHC.

Estimated annual reporting hours: 1,700 hours.

Estimated average hours per response: 0.50 hours.

Number of respondents: 3,400.

General description of report: This information collection is mandatory under the Federal Reserve Act, the Bank Holding Company Act (BHC Act), and the International Banking Act (12 U.S.C. 248(a)(1), 321, 601, 602, 611a, 615, and 625, 1843(k), 1844(c)(1)(A), 3106(a)) and Regulation K and Y (12 CFR 211.13(c), 225.5(b) and 225.87). Individual respondent data are not considered confidential. However, respondents may request confidential treatment for any information that they believe is subject to an exemption from disclosure under the Freedom of Information Act(FOIA), 5 U.S.C. 552(b).

Abstract: The FR Y–10E is a free-form supplement that may be used to collect additional structural information deemed to be critical and needed in an expedited manner.

Current Actions: On August 11, 2011, the Federal Reserve published a notice in the Federal Register (76 FR 49769) requesting public comment for 60 days on the extension, with revision, of the Supplement to the Report of Changes in Organizational Structure. The comment period for this notice expired on October 11, 2011. The Federal Reserve did not receive any comments.

Board of Governors of the Federal Reserve System, November 16, 2011.

Robert deV. Frierson
Deputy Secretary of the Board.

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